

TENANT SELECTION PLAN NORTH TOWN VILLAGE PHASE I

The screening criteria in this policy are based on the expectations of occupancy at the North Town Village Phase I development. The requirements of this policy and lease agreement shall be executed between NTV Limited Partnership ("Owner") and Holsten Management Corporation ("HMC"), as the Owner's Agent.

This screening and selection procedure was developed based on minimum screening and selection criteria of HMC and the CHA and conforms to HUD's Fair Housing regulations. Occupancy criteria for the public housing units comply with all relevant CHA policies and procedures including the Admissions and Continued Occupancy Policy (ACOP) of September 20, 2005 and subsequent updates, except as otherwise provided herein, and the Cabrini Consent Decree.

Each applicant is expected to abide by the obligations of the tenancy summarized as follows:

- To pay rent and other charges in the manner set forth by the lease;
- To care for and avoid damaging their unit and common areas, to use facilities and equipment in a reasonable way, and to maintain their unit at reasonable standards of care and cleanliness;
- To respect "the right to quiet enjoyment" of all residents;
- To refrain from any and all illegal activity, and to require the same of all occupants, and **guests**;
- To submit to drug screening, at the time of initial application and also at annual lease renewal; and
- To comply with the necessary and reasonable building rules and any recommendations from Holsten Human Capital Development, NFP, if applicable.

I. Application Process: Applicable to All Household Members Age 18 and Older

1. Complete application form. Applicants must provide Social Security Numbers (SSN) for all household members (or certification that application has been made for SSN), proof of citizenship or eligible non-citizenship status.
2. Sign the Tenant Release and Consent Form, allowing the credit check and criminal background check.
3. Provide employment information covering current and most recent previous job. Provide required information for Tax Credit Compliance and public housing assisted units (where applicable).
4. Provide detailed landlord information including contact from verifiable independent landlords (cell phone numbers and family members cannot be used.) Landlord verification must be completed and returned via fax.
5. An individual or individuals from HMC staff will perform a home visit using the Home Visit Form. The purpose of the home visit is to determine whether the applicant is capable of caring for a unit in a way that creates a healthy and safe living environment. Applicants will be notified at least two days prior to the scheduled visit. Staff will complete the home visit form, which will become a part of the applicant's file.

6. Holsten Human Capital Development, NFP will perform a Needs Assessment. Based on the results of this assessment, referral to counseling and/or social services will be made to families requiring special support or services. This service will be provided for public housing applicants only.
7. All household members who are age 18 and older will need to pass a drug test. If the initial screening is failed, HMC will place the applicant on a deferred status; the applicant will remain on the waiting list and will retain his/her original priority on such waiting list. The applicant must test negative in order to be approved for residency.
7. HMC will perform a pre-move in interview.
8. A lease will be signed and a move-in date determined. One month's rent will be paid along with the full one month's security deposit.
9. Keys will be distributed and the new tenant is able to move in.

II. General Principles of Screening

In assessing an applicant's ability to meet these criteria, HMC will consider the factors listed below. Exceptions and exemptions are only applicable to public housing applicants. The "Working to Meet Criteria" are only applicable to public housing applicants covered by the Cabrini-Green Consent Decree.

HMC will consider the applicant's ability to meet financial obligations, including a review of income and expected expenses; especially timely payment of rent, utilities, and other fair charges required by a lease or agreement for occupancy -the applicant must demonstrate the ability to meet financial obligations imposed by the lease by providing evidence of a source of funds to cover **expenses.**

For public housing residents, the following specifics apply: 1. The applicant must be current in rent and electric bills. All past due bills in these two areas must be paid prior to approval; 2. Rent is due on the 1st of the month and is considered late on the 5th of the month. Timely payment of rent shall mean no more than four rent payments made beyond the 10th of the month in a calendar year.

For non-public housing tenants, gross monthly household income must be at least two times the scheduled monthly rent for a unit. For example, a household must have income of at least \$800 to qualify for a unit with rent of \$400. For public housing tenants, the tenant portion of rent for the unit will be set at 30% of the household's monthly adjusted gross income, and there are no minimum **income requirements.**

All tenants will be responsible for paying the unit's electricity, and if a tenant receives a utility allowance, it will be taken into account when determining the tenant portion of rent. Public housing tenants will receive a utility allowance. Public housing tenants reporting zero income must provide an estimate of monthly expenses for food, beverages, transportation, childcare, etc.

- A. Documentation of income: Tenant shall demonstrate ability to pay rent, with the exception of eligible public housing tenants. The development of North Town Village Phase I was financed in part through various federal and state housing programs. These include, during any applicable tax credit compliance period, federal low income housing tax credits under Section 42 of the Internal Revenue Code, a loan from the Illinois Housing Development Authority, a loan from the City of Chicago, a loan from the Chicago Housing Authority (CHA) and assistance from the CHA.

As a result of the requirements imposed by the various funding sources and programs, household income cannot exceed 40% of Area Median Income (AMI) for 16 of the units,

household income cannot exceed 50% of AMI for 30 of the units, and household income cannot exceed 60% of AMI for 33 of the units. **37 of the units have no income restriction.** However, HUD assisted households in North Town Village Phase I will not have their lease terminated for failure to meet household income requirements and student eligibility rules. No cosigners will be accepted, however, there can be more than one head of household, co-leaseholder or leaseholder for a unit. All applicant households must submit documentation regarding the income and assets of all household members to meet tax-credit requirements. The documents include but are not limited to the following: pay stubs, bank statements, SSI award letters, and court-ordered child support agreements. All income must be documented with information that is less than 90 days old. Applications showing only cash income and no tax returns nor pay stubs will not be approved.

B. **Employment:** Unless the applicant presents sufficient proof of monthly income equal to or more than two times the scheduled rent for the unit, applicants must be engaged in work or activities that lead to work, unless they are disabled or elderly, meaning age sixty-two (62) or older. There must be verifiable work history for those applicants whose primary source of income is employment. **Exemption:** Households with social security or disability income (or other forms of verifiable income from sources other than employment) and public housing tenants who are under a self-sufficiency program (a "working family") described below. The work history does not necessarily have to be with the same employer. The average income derived from employment must meet or exceed the required income at the time of application.

Pursuant to the Cabrini-Green Consent Decree, 50% of the public housing units built shall be reserved for families that have at least one household member working 30 hours per week, including work through Earnfare, Work First, or any RED! program where the household member is paid wages for his or her work.

If an applicant family is unable to meet, or is not otherwise exempt from, the above 30 hours a week employment requirement, at least one household member who is 18 years of age or older must be engaged in one or a combination of the following activities to meet the 30 hours per week work **criterion:**

1. Employment;
2. Enrollment and regular attendance in an economic self-sufficiency program;
3. Verified job search and/or employment counseling;
4. Basic skills training; and/or
5. Enrollment and consistent attendance in a regular program of education, including GED classes, secondary or post-secondary education, or English proficiency or literacy classes.

Even families exempt from the employment requirements and are employed, as described below, may be counted towards the 50% working requirement on the public housing replacement units.

Exemption: "Cabrini Displaced Families" as defined in Addendum A are exempt from the employment requirements.

Other Cabrini and public housing families are not exempt from the employment requirements, except those detailed in Addendum E.

The remaining 50% of the public housing units at North Town Village Phase I will have no employment requirement (See Consent Decree, Section II D 1). A copy of the Consent Decree will be

available in the Management Office and will be duplicated for anyone who requests one. Applicants will be categorized as working and non-working and be asked to sign working or non-working lease riders.

This employment requirement is subject to all federal, state and local Fair Housing laws, especially with regard to source of income and disability.

C. Minimum Rent: A minimum rent of \$50.00 will be applied to all rental units at North Town Village Phase I. Residents who have inadequate source of income to pay minimum rent will not be evicted for failure to pay the minimum rent under the following hardship exemption:

Exemption: A hardship exemption shall be granted to public housing residents who can document that they are unable to pay the minimum rent because of a verifiable long-term hardship (over 90 days). Exemption from minimum rent does not mean that the family does not pay rent. The family is required to pay the greatest of 30% of adjusted monthly income or 10% of monthly income. HMC will advise in writing any applicant/resident who pays the minimum rent what are the specific hardship exemptions that s/he has the right to request. Hardship exemptions will be granted pursuant to the CHA's Procedure on Hardship Exemptions.

D. Minimum Age: An applicant must be a minimum of 18 years old to be head of household.

E. Landlord verification: Two years verification of residency, rent payment, and compliance with all lease obligations and site and building rules, except that public housing families shall show one year of prior compliance or one year engaged in activities toward compliance. In no cases will relatives qualify as landlord references. If an applicant has just come from college, a verifiable dorm history will be considered. Any outstanding rent owed to the CHA or outstanding utilities must be paid before occupancy. Included in the landlord verification is information about activity of guests, amount of traffic, and unauthorized occupants. Applicants will be rejected based on a negative history as reported by the landlord.

Landlord judgments entered due to no fault of the applicant, e.g. eviction pursuant to a no-cause 30-day notice or Landlord's suit for full contract rent because of CHA's abatement of Section 8 voucher payments due to Landlord's failure to comply with HQS standards will not be considered.

Applicants should not have judgments in favor of a current or past landlord within the past two years. If an applicant has a landlord judgment in the past two years, the applicant must demonstrate one year without a landlord judgment. The first year of residency at North Town Village Phase I will be evaluated to satisfy the second year of the requirement.

Working to Meet: A public housing applicant under the Cabrini Consent Decree will be considered as "working to meet" this criteria if he/she has a documented history of paying rent and of paying any repayment agreement, if applicable, for one year.

Exception: A public housing applicant covered by the Cabrini Consent Decree is excepted from these criteria if he/she entered into a repayment agreement and has been current with payments for the past three months.

F. Credit history: Applicants must show a history of performance in meeting financial obligations. For specifics, refer to Section III under the heading of "Review and Checking of Credit History".

G. Drug testing: All adult household members (age 18 or older) must pass a drug screening at the

time of application, and agree to renewal testing, annually, at lease renewal. See Section III, "Application Process", for detailed information under the heading of "Drug Related Activity".

H. School Enrollment and Child Care: Applicant must provide documentation that family members over age 6 and through age 17 who live in the household attend school regularly. Adequate day care or supervision must be provided for children under 13 years old. If a child between the ages of 17 and 18 drops out of school, that child must be engaged in one or a combination of the following activities at least 30 hours per week: enrollment and regular attendance in an alternative program of education, including GED classes, secondary or post-secondary education, or English proficiency or literacy classes, employment, enrollment and regular attendance in an economic self-sufficiency program, verified job search and/or employment counseling, and/or basic skills training.

I. Home visit: All applicants will be subject to a home visit as part of the screening process.

J. Misrepresentation: An applicant's intentional misrepresentation of any information related to eligibility, housing history, income, employment, background checks, or rent will be grounds for rejection. Misrepresentation during the intake and screening will be considered as evidence that the application cannot meet the requirement and will result in rejection.

K. Orientation: An applicant's attendance is required at an approved pre-occupancy orientation. The orientation will be designed by HMC or a third party under contract to HMC. Pre- occupancy orientation is not a condition of acceptance, but is a requirement prior to move-in. Pre-occupancy will be held at lease signing if applicant has been unable to attend a previously scheduled session.

L. Documentation: HMC will determine what constitutes adequate and credible documentation. If staff has any doubts about the truthfulness or reliability of information received, they may request alternative methods of verification from the applicant or third parties. HMC will not make an offer of housing to an applicant who cannot document the abilities to comply with the essential obligations of the lease. For public housing residents, a determination of "insufficient or inadequate" documentation means a deferral to CHA. CHA must be notified by HMC as to what the applicant needs to do in order to provide proper documentation.

M. CHA Responsibility: HMC will review data provided by the Chicago Housing Authority for CHA applicants. The CHA will screen for standard and required information as prescribed by the U.S. Department of Housing and Urban Development.

III. The Application Process

For public housing assisted units, applicants will be chosen based upon the provisions of the Cabrini-Green Consent Decree and the Cabrini Lottery List. Once the Cabrini Lottery List has been exhausted, families for remaining public housing assisted units will be chosen based upon the remaining priorities under the Cabrini Consent Decree. The CHA will utilize its Housing Offer Process (HOP), and its general waiting list for public housing to administer the remaining priorities under the Cabrini Consent Decree. Further description of CHA priority groups is located in the Cabrini Consent Decree, as described in Addendum A of this TSP. Non-public housing applicants will be identified through marketing efforts conducted by HMC according to its marketing plan and Affirmative Fair Housing Marketing Plans.

Each applicant must meet with HMC staff at a pre-occupancy orientation in order to provide initial information and authorization for information verification, and to complete the pre-application card. When completing application forms, applicants must provide Social Security Numbers (SSN) for all family members (or certification that application has been made for SSN), proof of citizenship or eligible non-citizenship status, and the name, address, and telephone numbers of current and former

landlords. Failure to provide this information will result in a delay of application processing and possible rejection of the application. At the orientation session, the topics will include the application process, criminal background check and drug testing requirements, and community building opportunities. Applicants will also have the opportunity to view a model apartment. Applicants will then view their actual unit prior to lease signing.

A. Verification Standards for Checking Information Provided By the Applicant:

1. Verification by a third party: Verification by third parties must be in writing. After HMC completes the screening and the applicant signs a consent form, HMC staff will send a first mailing to the third party verification sources identified by the applicant. After 15 calendar days, if no response has been received to the first mailing, staff will contact the third party by phone, fax or a second mailing.
2. Lease Renewal/Re-certification: All information subject to change will be reviewed annually during lease renewal and/or recertification process.
3. Each applicant folder will include a File Completion Checklist, recording applicant information needed and verifications. Each applicant folder will be treated as confidential information and will be kept in a secure filing system.

B. Security and Background Check:

1. HMC will verify any involvement in criminal activity on the part of all applicants (age 18 years or older) who intend to reside at North Town Village Phase I.
2. Applicants will be advised at the time of intake at the start of the screening interview that criminal behavior will jeopardize admission to North Town Village Phase I and will receive additional weight in HMC's decision to reject an applicant family.
3. Involvement in criminal activity by an applicant that would adversely affect the health, safety or welfare of other tenants will be verified using information from the criminal histories provided by the county, State, or municipality. In addition, former landlords and housing providers will be asked to indicate problems during the applicant's tenancy.
4. HMC will use a credit or background check service (not another resident's testimony) to check criminal history. The service will check for:
 - o Any and all information relative to criminal convictions or activity, both felonies and misdemeanors within the last ten years.
 - o Any and all information relative to any criminal charges which are currently pending before any court (municipal, state, or federal).
5. The criminal records system shall be used to assess the applicants' past criminal behavior especially commission of violent crimes, drug related criminal activity of any kind, disturbance of neighbors, or destruction of property. Without substantial evidence of mitigating circumstances (including serving jail time and rehabilitation) HMC will not admit persons engaging in any criminal activity violating state and/or federal law.

Examples of criminal offenses that will be considered include, but are not limited to: disturbing the peace, drunk and disorderly conduct, threats or harassment, domestic violence, including actual or threatened violence toward members of an applicant household, assaults, destruction of property,

vandalism, citations for health and sanitary code violation, possession of an unlawful weapon, criminal damage, arson, home invasion, and all other activities that may adversely affect the health, safety or welfare of other tenants.

6. All criminal activity will be weighed against the obligations of tenancy, including the likely impact on North Town Village Phase I and the danger to the health and safety of residents and staff. HMC considers certain criminal acts or repeated criminal behavior as evidence that the applicant is not capable of meeting lease requirements.

7. Public housing applicants will be evaluated as detailed in Addendum D.

C. Review and Checking of Credit History:

On a credit report, the majority of the accounts reported should reflect pay history that is current and on time (RO or RI). Applicants (except for public housing applicants) will be charged \$35.00 which will cover the cost of up to two reports. Bankruptcy requires that the applicant should show one year on a current job and have a favorable, verifiable landlord history.

For public housing applicants, the credit history must reflect that the applicant has a history of being current in paying utilities, that the applicant can establish utilities in their name, and that the applicant is current in rent payments to the CHA.

D. Home Visits/Apartment Inspection (Where Practical):

1. HMC leasing staff will make a home visit to all applicants who have successfully completed all previous stages of this screening process. The purpose of the home visit is to determine whether the applicant is capable of caring for a unit in a way that creates a healthy and safe living environment. A maximum of two home visits may be conducted by HMC staff.
2. Home visits will be conducted by HMC staff and may be conducted by an individual or in teams using HMC's Home Visit Form. Applicants will be notified at least two days prior to the scheduled visit. All HMC staff performing home visits are trained to ensure that the home visit, including the form, is completed fully and properly.

If the unit inspected as part of the home visit indicates applicant-caused health or safety hazards, housekeeping that contributes to infestation, or applicant caused damage, the application may be rejected, or in the case of public housing applicants, the applicant will be referred for services and follow-up prior to occupancy. The public housing applicant must complete services and provide written documentation of satisfactory completion and will need to pass a subsequent home visit. If the applicant does not attend services, is not helped, or does not pass the subsequent home visit, they will be deferred to CHA.

3. If the home visit reveals that the applicant is currently permitting unauthorized occupants to share the unit, is engaged in criminal activity, or some other situation that was inconsistent with the information presented on the application, the applicant could be rejected, or in the case of public housing applicants, the applicant will be referred for services and follow-up prior to occupancy. HMC will document any cases where a home visit results in a rejection.

4. An applicant's behavior towards HMC staff conducting the home visit or performing other tasks under these procedures will be considered in assessing an applicant's possible behavior toward neighbors. Physical or verbal abuse or threats by an applicant towards HMC staff will be noted in the file and included in the screening evaluation.
5. Applicants that fail a home visit may be referred for services and follow-up prior to occupancy.

E. Dmg related activity:

North Town Village Phase I is a drug-free community. HMC will not admit or renew a current user of illegal drugs because of the potential for attracting drug-related crimes. However, mitigating circumstances, such as a willingness to engage in a drug rehabilitation program, may be considered. The Fair Housing Act explicitly states that current users of illegal drugs are not a protected class (persons with disabilities) and permits HMC to reject such applicants.

Applicants age 18 or older will be subject to drug screening at the time of initial application and annually as part of the lease renewal process (see Lease and attached Rider #3). Adults (age 18 or older) who pass the home visit will then be required to submit a urine sample to be tested by a qualified drug screening facility. Drugs tested for in the screening include cocaine, opiates, phencyclidine (PCP), cannabinoids (marijuana), and benzodiazepines. HMC will arrange travel to and from the drug testing facility, if necessary. If the initial screening is failed, HMC will place the applicant on a deferred status; the applicant will remain on the waiting list and will retain his/her original priority on such waiting list. The applicant must test negative in order to be approved for residency. At lease renewal, if a resident tests positive, s/he will have a twelve (12) month cure period and will be required to prove that s/he has entered a rehabilitation program or s/he will be subject to a lease violation. Public housing applicants who fail are subject to the conditions in Addendum D, Level Three. For public housing applicants, HMC will pay all costs associated with the drug testing unless the costs are otherwise reimbursed to HMC.

F. Needs Assessment:

As part of the screening process, all public housing applicants will undergo a needs assessment that will be conducted by Holsten Human Capital Development, NFP staff. Based on the results of this assessment, referral to counseling and/or social services will be made to families requiring special support or services.

G. Pre-Occupancy Orientation:

Completion of a pre-occupancy orientation designed by HMC or delivered by a third party under contract to HMC will be required by all applicants.

- a. Attendance and satisfactory completion of the pre-occupancy orientation are part of HMC's screening criteria. Failure to attend and satisfactorily complete the program will result in rejection of the application. In the case of public housing applicants who are unable to attend, the pre-occupancy orientation will be presented at lease signing.
- b. The pre-occupancy orientation will typically be offered when the applicant is within 90 days of being offered a unit.
- c. The pre-occupancy orientation, once implemented, may include the

following topics:

- Program purpose and relationship to HMC screening
- How screening relates to lease compliance
- Keeping the units clean
- **How to request maintenance**
- How to conserve utilities, read a utility bill and family budgeting
- Review of HMC's lease requirements
- Security procedures
- Rights and responsibilities of residents
- Procedures that will be followed should lease violations occur
- HMC's obligation to make reasonable accommodations for persons with disabilities
- Chicago Tenant/Landlord Ordinance
- Community amenities
- Available community building activities

H. Lease Requirements:

All applicants who are selected for housing under this tenant selection plan shall sign a Chicago Apartment Lease, Form 104 including attachments. By signing this document, the tenant agrees to comply with all the lease terms. The leases will be in the tenant's name. All public housing residents will also sign the Public Housing Rider to Chicago Apartment Lease. The owner shall receive a copy of the fully executed lease for all tenants.

IV. Asset Management

During the walk through of the unit, each head of household will receive a verbal explanation on the operation instructions. The resident assumes responsibility for any damage to assets in the unit and will sign the lease rider, detailing charges for such damage.

V. Family Orientation/Case Management

Family orientation and case management are critical factors for successful transition into a mixed income environment. This will serve to make the resident aware that management will provide ongoing assistance and support for a smooth transition. All tenants will be required to attend a pre-occupancy orientation as a condition of the lease. Tenants will also be encouraged to participate in neighborhood and community building activities. The purpose of the community building events is to aid all tenants in the assimilation into a socially diverse community while fostering a healthy interaction between residents.

VI. Rejection of Applicants

HMC may reject an applicant for the following reasons:

- A. Any collection/eviction/judgment from landlord
- B. Lack of employment or employment history with respect to affordable or market rent applicants
- C. Gross income less than 2 times the monthly rent with respect to affordable or market rent applications
- D. Failure to pass home visit, as described above in the Home Visit section
- E. Children not in school or insufficient child care, as described above in the School Enrollment and Childcare criterion

- F. Inability to verify income (or if income exceeds the income restrictions, if applicable)
- G. Failure of drug screening and refusal to enter a drug rehabilitation program
- H. Criminal history reported from an independent reporting agency:
 - 1. All drug arrests
 - 2. Felony arrests within 10 years
 - 3. Any criminal activity that involved physical violence to person or property
 - 4. Any pattern of criminal activity in the last 10 years
- I. Failure to cooperate with the application/screening process
- J. Providing intentionally falsified statements or information during the application process
- K. The following list of factors will not be considered in making a decision to reject an application:

- Race/Ethnicity
- Sex
- Familial Status
- Marital Status
- Parental Status
- Housing Status
- Sexual Orientation
- Gender Identity
- Political Ideology
- Color
- Religion
- Age
- Source of income**
- Handicap or Disability including mental or physical
- Ancestry
- National Origin
- Military Status
- Unfavorable Military Discharge
- Order of Protection Status

- L. During the screening process, staff performing the review will consider the following prior to rejection of any application:

- 1. If negative screening information is received on an applicant, staff will contact the applicant and set up a second meeting to determine whether mitigating circumstances exist that make it possible to approve the application.
- 2. If rejected, an applicant may request an informal meeting to determine whether the rejection was in compliance with the aforesaid procedures.

- M. If an applicant is rejected; a form letter indicating the cause for rejection will be completed and mailed via certified mail with return receipt requested to the applicant. If the rejection letter is sent to a public housing applicant, the letter will include a description of the applicant's grievance rights. With the aforesaid procedures if HMC determines that a public housing applicant is not an acceptable resident for the development, HMC will temporarily remove the application, with justification for denial, from its active file for housing at North Town Village Phase I, and defer the public housing applicant to CHA. The process is detailed in Addendum F.

A Cabrini-Green Lottery family may use the CHA's Grievance Procedure rather than rely on appeal rights that may be exercised by the Cabrini LAC. A formal grievance hearing, if granted, will be conducted before an independent hearing officer from the City of Chicago's Department of

Administrative Hearings. If the independent hearing officer finds in favor of the applicant and against HMC's decision to reject the applicant, the applicant will be placed back onto the list for a unit.

VII. Screening Criteria and Relevant Procedures for Applicants with Disabilities

The following steps will be taken to ensure that Section 504 access and communication requirements are met during the application process:

- A. If an applicant has difficulty completing written forms, HMC will permit the applicant to bring someone to the interview to assist them or permit forms to be completed at home.
- B. To ensure the opportunity for equal access to housing benefits and program related services, HMC will make reasonable accommodations for applicants with disabilities. HMC will also make certain that forms and other documents to be completed by applicants are available in accessible formats. If requested by the applicant with disabilities, HMC will provide sign language interpreters and other auxiliary aides.
- C. HMC will confirm the presence of a disability, but will not make inquiries about its nature or extent, prior to making any accommodation or providing auxiliary aides.
- D. At the time of initial application, HMC will provide a notice to all applicants that describes Section 504 Fair Housing requirements including the right to request reasonable **accommodations**.
- E. Intake and screening **interviewing** and other **meetings** required during the application process will be conducted at accessible locations.
- F. It is illegal to reject an applicant because he or she is a person with a disability, or for reasons that could be overcome by HMC's reasonable accommodation of the applicant's disability or handicap. If even with reasonable accommodation, applicants with disabilities or handicaps cannot meet essential application requirements, it is permissible to reject them.

VIII. Documentation of Screening Results for CHA Residents

As requested, the Chicago Housing Authority will receive documentation of screening results and the status of applicants on important criteria such as:

- 1. Application status
- 2. Home visits
- 3. Income
- 4. Employment
- 5. Drugtesting
- 6. Move-in status

IX. Priority for Applicants

Applicants will be served on a first come, first serve basis. The date the completed application with all backup documentation is received will be the basis for priority in approving applications. All

applications will be processed subject to available units. Waiting lists will be developed for any applicants for whom there are no available units. However, Cabrini Lottery Families (as defined in Addendum A) shall have first priority for the affordable units. Subject to any applicable legal requirements concerning age or disability, all affordable units shall be reserved for families with an employed member (defined as families that have at least one household member working 30 hours per week, including work through Earnfare or Work First when the household member is paid wages for his or her work.)

For public housing assisted units, applicants will be chosen based upon the provisions of the Cabrini-Green Consent Decree and the Cabrini Lottery List. Once the Cabrini Lottery List has been exhausted, families for remaining public housing assisted units will be chosen based upon the remaining priorities under the Cabrini Consent Decree. The CHA will utilize its Housing Offer Process (HOP), and its general waiting list for public housing to administer the remaining priorities under the Cabrini Consent Decree. Further description of CHA priority groups is located in the Cabrini Consent Decree, as described in Addendum A of this TSP.

Exceptions to the order in which applicants are housed will be made in the event that HMC needs to match families to vacant ADA accessible or visual/hearing impaired ready units. With respect to the assignment of such public housing assisted units, families who show a verified need for the features provided in these units and have completed an application will be given priority over other applicants, in order of their priority and placement under the Cabrini Lottery, the HOP, and the CHA general waiting list. All approved applicants for ADA units who do not need the features of these units will be required to sign a waiver stating that they will move within 30 days if a family needing these features is approved for the unit. If such applicant is required to move, HMC will move them into the next available non-ADA unit. The same rules will apply for affordable and market rate applicants, except that the site based waiting list will be used to determine priority.

X. Waiting List

If an applicant is eligible for tenancy, but no appropriately sized unit is available, HMC will place the applicant on a waiting list for the development. The waiting lists will be maintained electronically. The waiting lists will contain the following information for each applicant: applicant name, household unit size, date and time application received, qualifications for any preferences and ranking, annual income level, accessibility requirements, and number of persons in the household. Separate waiting lists will be maintained for market, affordable, and public housing units.

The waiting list for public housing assisted units must be obtained from the Chicago Housing Authority, unless other procedures are approved and confirmed in writing by the CHA. Upon future unit turnover or availability, after initial lease-up of the public housing assisted units, HMC will contact the Chicago Housing Authority for a new, updated list of applicants. Prior to leasing any public housing assisted unit, HMC must receive approval from the Chicago Housing Authority.

The pre-application card will be a permanent file. All applications will be maintained in order of preference. Applications equal in preference will be maintained by date and time sequence. Public housing applications will be subject to the provisions of the Cabrini-Green Consent Decree.

When placed on the waiting list, applicants will be informed to notify HMC when the following changes occur: address and/or phone number, household composition, preference status, and income. If an affordable applicant's income changes to an amount which is no longer eligible, written notice will be given advising the applicant that they are not presently eligible for the unit type they selected, but the applicant could be eligible if the household income decreases, the number of household

members changes, or the income limit changes, or that they may qualify for a different unit type at North Town Village Phase I, and they may then choose to remain or not on the waiting list. If an applicant's household composition changes resulting in a need for a different apartment size, HMC will, upon notification by applicant, place the applicant on the appropriate waiting list. In this case the applicant will receive a new application date based upon the date of redetermination.

Individuals on the waiting list will be contacted via telephone and by U.S. mail when a unit becomes available. If after 7 days the applicant does not respond, HMC will contact the next applicant on the waiting list and the first applicant will be removed from the waiting list. If an applicant is contacted but rejects the first offered unit, they will be removed from the waiting list.

The waiting list will be updated every 12 months by sending all applicants a letter via certified mail and asking the applicant to respond if they wish to remain on the waiting list. If the applicants do not respond within 14 days, they will be removed from the waiting list.

The waiting list for the development will be closed when there are a number of applicants equal to 40% of the rental units at North Town Village Phase I. It will be reopened when the number of names on the list drops below 25.

Potential public housing tenants will be contacted and, if necessary, removed from the waiting list according to CHA procedures that satisfy the requirements of the Cabrini Lottery List. These procedures are outlined in Addendum B.

XL Consent Decree Addendum

On September 12, 2000, the Cabrini-Green Local Advisory Council, Chicago Housing Authority and City of Chicago entered into a court-approved consent decree in the case of Cabrini-Green Local Advisory Council v. Chicago Housing Authority et al, 96 C 6949. The consent decree addresses, among other items, the creation of replacement housing for Cabrini Green and occupancy requirements associated therewith. To the extent that there is a discrepancy or conflict between the terms of this Tenant Selection Plan and the consent decree, the terms of the consent decree shall govern.

ADDENDA TO NORTH TOWN VILLAGE PHASE I TENANT SELECTION PLAN

Addendum A-CHA Housing Priorities

1. Cabrini-Green Consent Decree and the Cabrini Lottery List

Pursuant to the terms of the Cabrini-Green Consent Decree, families listed on the Cabrini Lottery List (Cabrini Lottery Families) have first priority to apply for the public housing units at North Town Village Phase I. Such families may or may not be current public housing residents. The Cabrini Lottery List is a creation of the Cabrini-Green Consent Decree and is maintained separately from the CHA's Housing Offer Process (HOP) system. The CHA's Relocation department will provide referrals from the Cabrini Lottery List to HMC for processing and screening.

The Cabrini Lottery Families include Cabrini Displaced Families and other Cabrini families that have the next priority, as defined by the Cabrini-Green Consent Decree. "Cabrini Displaced Families" are defined by the Consent Decree as all families who resided in the Cabrini Extension North buildings (1015-1017 N Larrabee, 1121 N Larrabee, 1159-61 N Larrabee, 500-502 W Oak, 1117-1119 N Cleveland, 1157-59 N Cleveland, 1150-160 N Sedgwick and 1158 N Cleveland) on or after January 1, 1993, except for such leaseholders deemed ineligible under the provisions of the Cabrini Consent Decree (*see Consent Decree page 17, Section VI B*)

2. Housing Offer Process (HOP)

Upon exhaustion of the Cabrini Lottery List, the CHA can begin referring public housing residents from the HOP database for public housing units at North Town Village Phase I in a manner that is consistent with the priorities set forth in the Consent Decree. From the list provided by CHA, HMC will house eligible families in the order of their priority, bedroom size, need, and assigned HOP number.

- a. If an applicant covered by the CHA Leaseholder Housing Choice and Relocation Rights Contract 10/1/99 (RRC) or the CHA Relocation Rights Contract for Families with Occupancy after 10/1/99 (Post 10/1/99 RRC) does not initially meet the minimum selection criteria upon the initial unit offer, then he/she shall have an opportunity for admission to North Town Village Phase I by demonstrating that he/she is working to meet the selection criteria (i.e. that the applicant is engaged in activities to meet one or more criteria).
- b. If an applicant covered by the RRC or Post 10/1/99 RRC is admitted into North Town Village Phase I because he/she is in the working to meet category during the screening process, then the applicant must meet the selection criteria within 12 months of admission into North Town Village Phase I.
- c. If an applicant covered by the RRC or Post 10/1/99 RRC is admitted into North Town Village Phase I because he/she meets the selection criteria at initial occupancy but falls out of compliance with one of the continuing occupancy criteria, then he/she has 12 months to work himself/herself back into compliance.

If the applicant or household fails to reach compliance at the end of the 12 months in b or c above, HMC may terminate the lease or choose not to renew the lease and shall transfer the resident and household to another CHA property at which the resident and household meet that site's property specific admission and continued occupancy requirements.

Applicants covered by the Cabrini-Green Consent Decree will also have the rights set forth in paragraphs a-c above.

Addendum B-CHA Outreach Procedures

1. CHA will refer families from the Cabrini Lottery List for screening to HMC. HMC staff will contact these families in the order of their position on the list. The CHA will provide the Cabrini-Green LAC with list of the names referred to HMC for North Town Village Phase I. When the Cabrini Lottery List is exhausted, the CHA will provide the Cabrini-Green LAC with 14 calendar days' notice prior to referring families from the HOP List to HMC.
2. HMC staff will make the first attempt at contacting eligible applicant households via regular mail. If no response is received within seven (7) business days, the second attempt at contact will be by placing three phone calls to the eligible applicant household. Each phone call will be made on a different day, and the dates and times of each phone call will be documented in the household's applicant file.
3. If, after 5 business days, the second attempt at contact is unsuccessful, management staff will make the third attempt at contact by registered mail to the address supplied by the CHA and/or the LAC.
4. If, after 5 business days, no response to the third contact attempt is received, the family shall be referred back to CHA with an indication that the family has been unreachable.
5. If an applicant responds within the stipulated timeframe, the applicant will be scheduled to attend a pre-occupancy orientation.
6. At the pre-occupancy orientation applicants will provide initial information, authorization for information verification, and complete the pre-application card. The orientation will cover the application process, criminal background and drug testing requirements, and community building participation opportunities.
7. HMC must obtain approval from CHA prior to leasing a public housing assisted unit to a public housing resident. This allows HMC and the CHA to ensure that units are leased to eligible individuals and in the appropriate order under the Cabrini Consent Decree and/or the Relocation Rights Contract.

Addendum C-CHA Lease Compliance

Public housing tenants are considered compliant if all of the following conditions are met in their current and/or last place of residency:

- I. Current on all rent and utility payments or is current on a repayment agreement;
2. Compliant with the CHA's ACOP, which prohibits unauthorized occupants, as defined in subparagraphs 6(c) and (d) of the Public Housing Rider to the Chicago I04 Lease, or requires the household to add such occupants in accordance with the Lease;
3. Leaseholder has a good housekeeping record (Leaseholder has maintained a clean and safe tmit) as indicated by the housekeeping inspection reports in the Leaseholder's file; and
4. Leaseholder has not destroyed, defaced, damaged or removed any part of a dwelling unit or development as indicated by the housekeeping inspection reports in the Leaseholder's file, or work orders reflecting a pattern of Leaseholder damage or abuse.

Lease compliance as defined above shall include the period during which the family lives in CHA housing and any period of Section 8 assistance. Noncompliance with respect to the Lease obligations must be demonstrated by notices of Lease violations and evidence of serious or repeated violations of material terms of the Lease.

Addendum D-CHA Criminal Background Restrictions

Prior to denying admission on the basis of a criminal record, management will notify the household of the information that provided the grounds for the proposed denial and must provide the subject of the record and the applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

I. Level One - Exclusions under the Cabrini-Consent Decree - Cabrini Families Pursuant to the Cabrini-Green Consent Decree (Section VI (B)(4)(a) and (b)), a Cabrini-Green Lottery Family is ineligible for any replacement public housing built under the Cabrini-Green Consent Decree, if they have the following criminal history. Such applicants and/or households are therefore, also ineligible for a public housing unit at North Town Village Phase I, if prior to relocation to a newly developed unit, but after relocation to a subsidized unit within the HOPE VI Planning Area or a temporary Section 8 placement or after entry of the Consent Decree (in the case offumilies residing in a CHA unit) the applicant or household member:

- a. was convicted of any criminal activity that threatened the health, safety, or right to peaceful enjoyment of the premises by other residents or any drug-related criminal activity on or off the **premises, or**
- b. had a household member, guest, or visitor while under the leaseholder's control, convicted of any criminal activity that threatened the health, safety or right to peaceful enjoyment of the premises by other residents, or any drug- related criminal activity on or off the premises. This exclusion shall not apply where the leaseholder agrees to exclude the offending person from the household.

2. Level Two- Exclusions under Federal Regulations & CHA's ACOP

a. Exclusions under Federal Regulations

Pursuant to Federal Regulations, the following types of criminal history render an applicant or applicant family ineligible for public housing assistance. An applicant or applicant family will therefore, also be ineligible for a public housing assisted unit at North Town Village Phase I if a three-year criminal background check of the applicant or any household member reveals any of the following:

- i. Drug-related criminal activity that resulted in eviction from federally assisted housing within a three year period prior to application for housing at North Town Village Phase I (24 CFR 960 204 (a)(I)), however, the household may be admitted if it is determined that the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program (24 CFR 960 204(a)(I)(I)), or the circumstances leading to the eviction no

longer exist (for example, the criminal household member has died or is imprisoned) (24 CFR 960 204(a)(J)(n));

ii. Conviction for drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing (24 CFR 960 204(a)(3));

iii. Sexual offenses that resulted in a lifetime registration under a state sex offender registration program (24 CFR 960 204 (a)(4));

iv. HMC determines that it has reasonable cause to believe that a household member's illegal use of a drug or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents (24 CFR 960 204 (a)(2)(n)); or

v. HMC determines that it has reasonable cause to believe that household member's abuse or pattern of abuse of alcohol may threaten the health, safety or right to peaceful enjoyment of the premises by other residents (24 CFR 960 204 (b)).

However, pursuant to Federal Regulations (24 CFR 960 203 (c)(3)(1)), HMC may require an applicant to exclude a household member who has participated in or been culpable for the above actions in order for the remaining household members to be admitted to the North Town Village Phase I development.

b. Exclusions under CHA's ACOP

In addition to the Federal Regulations, the CHA's Admissions and Continued Occupancy Policy (ACOP) (CHA Board Approved 9/20/2005) sets forth the types of criminal history that render an applicant ineligible for public housing with the Chicago Housing Authority. Therefore, pursuant to the CHA's ACOP, the following types of criminal history will also render an applicant or applicant family ineligible for a public housing assisted unit at North Town Village Phase I if a criminal background check of the applicant or any household member reveals any of the following (See ACOP Section II F):

i. Any household member has been convicted of arson or child molestation;

ii. Any household member has been convicted of murder or homicide in the last ten years;

m. Any household member has engaged in criminal activity in the past five years that involves crimes of violence to persons or property as documented by police arrest and/or conviction documentation. Crimes of violence to persons or property would include but not be limited to, homicide or murder, destruction of property or vandalism, burglary, robbery or theft, drug trafficking, manufacture, use or possession of drugs, threats or harassment, assault or fighting, domestic violence, weapons offenses, criminal sexual assault, and home invasion. Confidential juvenile court records and juvenile law enforcement records, protected under state and HUD regulations, will not be sought or used in reviewing the criminal history of an applicant family. With respect to the criminal activities listed above, consideration may be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). CHA and/or management may consider mitigating factors which may indicate a reasonable probability of favorable future **conduct, such as**

1) Evidence of rehabilitation, and

2) Evidence of the applicant family's participation in social service or other appropriate counseling services programs and the availability of such programs; or

iv. Any member of the household is subject to a lifetime or any registration requirement under a state sex offender registration program including the ten-year Illinois State Sex Offender Registration Act.

3. Level Three-Drug Screening

For public housing applicants only, if a household member does not pass the initial drug testing, HMC will require that the individual enroll into a drug rehabilitation program. If he or she still wishes to be considered for admission the individual must complete the program within a 12-month period ("12 month cure period") and provide satisfactory documentation of having participated and completed the program. After the individual completes the program and provides satisfactory documentation, the applicant may submit to a second drug testing that must result in a pass (i.e. no detection of the

presence of any illegal drugs) in order for the applicant to be admitted as a tenant at North Town Village Phase I. If an individual refuses to participate in the rehabilitation program, or refuses to sign the lease, then that household member (or leaseholder) will not be admitted as a tenant at North Town Village Phase I. In such a case, the remaining family members will be admitted if they are otherwise qualified. For public housing applicants, HMC will pay all costs associated with the drug testing, including travel to and from the drug testing facility.

Addendum E-Public Housing Applicant Work Exemptions

The following applicants and household members are exempt from the work requirement:

- a. Those enrolled and attending high school, college, trade school, or other institutions of higher learning as full time students;
- b. Those age 62 or older;
- c. Disabled with verification that disability precludes working as reviewed under the CHA's Disability Protocol;
- d. The primary caregiver of a disabled individual with verification of disability and the status as a **caregiver**;
- e. One adult household member on the lease who elects to stay home to care for pre-school children, provided there are at least two adults in the household and at least one of those adults meets the employment requirement; or
- f. Retired and receiving a pension.

Addendum F-CHA Applicant Deferrals

If a Cabrini Lottery Family applying for public housing at North Town Village Phase I under the Cabrini- Green Consent Decree is rejected and does not receive an offer of a public housing unit at North Town Village Phase I, HMC will provide written notice to the applicant, informing them of their right to grieve the decision, according to the CHA Grievance Procedures. Such a rejection shall be deemed a "deferral" for purposes of the Cabrini Consent Decree. If the CHA and the Cabrini-Green LAC are unable to reach an agreement as to whether a family should be approved for or denied housing at North Town Village Phase I, the parties can motion the federal district court to decide the matter. The motion shall request an expedited schedule and hearing on the **matter**.

HMC reserves the right to reject any applicant household who is found to have poor housekeeping, a criminal background, rent arrearages, inability to establish utility service, drug use, or other good cause, as indicated by tenant selection criteria.

HMC will notify in writing the Cabrini-Green Local Advisory Council (LAC) and its counsel of such rejection, including all appropriate documentation supporting the determination. The Cabrini-Green LAC will be afforded the opportunity to agree with or rebut the rejection with additional documentation.

If HMC determines that the reason for such rejection can be remedied, such an applicant will be offered the ability to remedy the circumstances. Once the issue that caused a family to be rejected is remedied, the family's application will be reviewed in accordance with its position on the Cabrini Lottery.

If HMC determines that mitigating circumstances exist justifying an approval of an applicant despite the initial rejection reason, such an applicant:

1. May be approved for occupancy at North Town Village Phase I and offered the next available unit; or
2. May be approved for occupancy at North Town Village Phase I (with or without a probation period) contingent on terms and conditions not included in the standard lease. Any such terms

and conditions will be documented in writing.

Upon approval for occupancy at North Town Village Phase I, such an applicant will receive priority for the next available unit of the size and type qualified for according to their position on the Cabrini Lottery.

As described above, if HMC makes any of the following determinations:

1. A rejection;
2. A rejection with an opportunity to remedy the reason(s) for the deferral; or
3. Approval contingent upon terms and conditions

written notice will be provided to the LAC and its counsel of this decision, including all appropriate documentation supporting the determination pursuant to the Cabrini-Green Consent Decree.

If all parties cannot agree on upon HMC's determination, they can petition the federal district court. In the case of such a dispute at the time of initial occupancy, HMC will hold a specific unit for a period not to exceed two (2) months. However, regardless of time, if the court favors the applicant, they will receive priority for the next available like unit.

Holsten Tenant Selection Plan Addendum 2

Preferences for Homeless Veterans at Selected Properties Managed by Holsten Management Company

The North Town Village Phase I development is adding a preference to all of the HUD-assisted housing pursuant to HUD Notice 2013-21 to establish a preference for those who are homeless veterans. This preference will include the following:

1. It will become effective August 1, 2015, and/or when approved by HUD.
2. The current waiting list for each property will be maintained consistent with HUD 4350.3 guidelines and the property's Affirmative Fair Housing Marketing Plan (AFHMP).
3. Current persons on the waitlist for non-public housing assisted units will be notified of the additional preference and how they may apply for the preference and will be granted a first right to an available unit under the preference should they meet the definition of "homeless veteran". Notice to the waiting list will be done by mail thirty (30) days prior to adoption of the preference.
4. The next two (2) non-public housing assisted vacancies will be offered to a homeless/formerly homeless veteran that is either on the existing waiting list or who is referred to the respective property by an organization that refers people transitioning out of a shelter or temporary housing program of Holsten's choice.
5. Referrals for available units will be accepted from Volunteers of America or other agencies with successful experience with the preference population, pursuant to Paragraph V(d) of HUD Notice 2013-21. All applicants must comply with current requirements for applicants at the specific property, including income, age, and criminal/credit screening. Applicants who are denied will be provided with the basis of the denial in writing and offered the opportunity to establish if they are eligible for a reasonable accommodation under the Fair Housing Act.
6. If after two (2) referrals from the selected referral agencies for an available turnover unit, an appropriate candidate is not identified, the unit will revert back to the standing waiting list to fill the vacancy.
7. This preference can be amended as needed and/or removed with proper notification of such to all affected parties, including written notification to HUD.